



# QUICK GUIDE GUARANTEED RESIDENTIAL LOAN USDA, RURAL DEVELOPMENT - FL/VI



Updated April 20, 2009

| Features   | Benefits  |
|--|---|
| No down payment  | Borrowers without savings, or who wish to retain their savings qualify  |
| 100% financing   | 102% LTV for the guaranteed first mortgage loan when including the guarantee fee, 100% LTV without the fee included.        |
| Loan not limited by contract amount                                  | Wrap closing costs into loan when appraisal is higher than value.   |
| No PMI   | One time guarantee 2% fee   |
| No reserves  | No need for seasoned funds, bank statements, or bank accounts   |
| Expanded ratios 29/41<br>31/43 on homes built post Jan 01            | Clients with satisfactory credit may qualify with higher ratios to accommodate high cost housing areas, etc.                |
| Streamlined processing with 620 FICO                                 | No explanations on credit with FICO 620+<br>No rental verification  |
| One time 2% guarantee fee can be rolled into the loan                | No monthly mortgage insurance means a lower monthly payment for the clients and additional cash each month                  |
| Generous income limits based on 115% US median (not HUD area limits) | Deductions are available for dependents, daycare, elderly households, etc. to assist individuals and families in qualifying |
| No maximum purchase price limit                                      | Clients choose the home that meets their needs and repayment ability  |
| NOT limited to first time buyers                                     | Anyone not owning suitable housing may apply.   |
| No limit on TLTV   | Allows closing cost assistance from government sponsored entities.  |
| Education/training substitute for job tenure                         | Income history for ratios is waived.  |
| Lowest payment of affordable products                                | No MI, best rate, 30 yr gives lowest payment, less eligibility issues, larger loan  |
| Unrestricted gifts   | No limitation on source of funds for closing costs. No seasoning requirement  |

Test every customer for Rural Development eligibility:



- **Is the property in an eligible area?** Check address at: <http://eligibility.sc.egov.usda.gov> Click on 'single family' under the link "Property eligibility". Type in address or go to map. Pinellas, Monroe, and Broward Counties are not eligible.
- **Is their household income within the Agency limits?** See the chart. Use the fast easy calculator at <http://eligibility.sc.egov.usda.gov> Click on 'single family' under 'Income Eligibility'
- **Do they have reasonable credit?** Your lender's underwriter makes the credit decision. Our streamlined processing does not require credit explanations if the FICO is 620 or higher. Alternate credit is acceptable. Credit score of 619-581 with excellent compensating factors, no risk layering. 580 and below would be rare.
- **Do they have reasonable repayment ability?** Ratios are 29/41% (31%/43% for homes built after Jan 1, 2001) but can be waived when it makes sense.

**No PMI:** One time guarantee fee of 2% of the final loan amount (it is only .5% on refinance of an existing Rural Development guaranteed or direct loan).

This fee can be financed along with other closing costs. The first mortgage guaranteed loan cannot exceed appraised value by more than the amount of the fee financed.

**Rate and Term:** 30 year fixed, very competitive conventional rate

**Maximum adjusted gross household income:** UPDATED EFFECTIVE APRIL 20, 2009

Project the cumulative gross income of all adults in the household.

**THE TOTAL INCOME CAN BE MUCH HIGHER THAN THE ADJUSTED INCOME LIMITS**

If total income exceeds the limits, certain adjustments can be made, such as childcare expenses for children age 12 or younger. You can deduct \$480 for anyone under 18 or a student who is not one of the applicants.

Other deductions may be available. No need to memorize deductions. Use the calculator at

<http://eligibility.sc.egov.usda.gov> Click 'single family' under "Income Eligibility"

Example: Clay County 4-person family (2 adults, 2 children) has a gross income of \$85,860. Child care for the two children age 12 or less is \$10,000 annually. Is the threshold income at or below the limit? **YES.** \$85,860 less 10,000 child care less \$480 for each child = \$74,900.

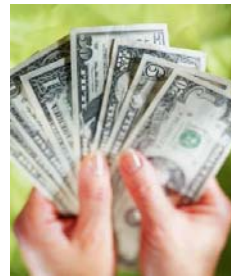
| COUNTIES   | 1- 4 person household | 5 - 8 person household |
|--|-----------------------|------------------------|
| All FL & VI counties EXCEPT those listed below:                    | \$73,600              | \$97,150               |
| Clay, Duval, Nassau, St Johns                                      | \$74,900              | \$98,850               |
| Collier  | \$81,450              | \$107,500              |
| Palm Beach   | \$86,700              | \$114,450              |
| Okaloosa   | \$76,250              | \$100,650              |
| NOT ELIGIBLE are Broward, Pinellas and Monroe                      |                       |                        |
| Add 8% of 1-4 person limit for each person in excess of 8 persons. |                       |                        |

**Other eligibility criteria:**

- U.S. citizen or permanent resident or qualified alien.
- Financed dwelling must be primary residence.
- Property must be residential.

**Property requirements:**

- New or proposed home construction: Meet the state code. Use State certified or FHA appraiser.
- Existing homes (over 12 mo. Old or previously occupied): Meet current FHA standard for existing property. FHA appraisers can be found on the FHA web site: <https://entp.hud.gov/idapp/html/apprlook.cfm> They complete the URAR and note items needing repair, if any, and certify that the home meets FHA minimum requirement.
- Repairs and closing costs may be wrapped into the loan.



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**Manufactured home:** New manufactured homes purchased from an Agency approved dealer may be financed. See RD for restrictions. Existing units (over 12 mo old or previously occupied) cannot be financed.

**Modular home:** No restriction

**Condo and town home:** Must meet the requirements of Fannie Mae, Freddie Mac, VA, or FHA.

**Flood Zone:**

- Existing dwellings located in a special flood hazard area must have federal flood insurance coverage.
- New construction\* in the 100-yr BFE is not permitted unless a Letter of Map Revision/Amendment (LOMR/LOMA) is issued by FEMA prior to requesting the guarantee on the loan.  
\*New construction has a CO issued within past 12 months or is proposed construction.

**Challenges:**

- No co-signors residing outside of the household.
- In-ground swimming pools. The loan, not including RD fee, is limited to the appraised value WITHOUT the pool. The FHA appraiser must justify value 'as is' AND a value as if the property had no pool. The value of the pool must be established and justified.

**Additional information at:** [www.rurdev.usda.gov/fl/quarrhs.htm](http://www.rurdev.usda.gov/fl/quarrhs.htm)

**Find a Rural Development office:** [http://www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html)

### **THINK "RD" FIRST!**

100% Guaranteed financing offers your clients the most affordable payment, less out of pocket cost, and a competitive fixed interest rate.

The below chart shows a **\$175,000 loan**

**6% interest rate**

**Real estate taxes and home owner's insurance figures have not been included, as this additional cost would be the same for all loans listed**

**Only principal, interest, and applicable PMI/guaranty fee have been included Many products listed will NOT offer a comparable fixed rate (it will be HIGHER) This is the best "apples to apples" comparison.**

**The 100% Guaranteed loan payment includes the 2% one time guarantee fee rolled into the loan.**

**We're dedicated to building rural communities!**

|  |        |
|--|--------|
| NO PMI LOANS 8% INTEREST RATE 30 YR. TERM          | \$1284 |
| FREDDIE MAC 100                                    | \$1189 |
| FREDDIE MAC HOME POSSIBLE/FANNIE MAE MY COMMUNITY  | \$1135 |
| FLEX 100   | \$1122 |
| 5% CONVENTIONAL (\$8,750 + MI)                     | \$1105 |
| FHA (\$5,250 + UFMIP + MI)                         | \$1105 |
| 40 YEAR LOAN + MI                                  | \$1103 |
| FLEX 97 (\$5,250 (3%) DOWN + MI                    | \$1091 |
| 80/20 80%: 6% 30 YEAR LOAN 20%: 7.5% 30 YEAR LOAN  | \$1084 |
| VA 2.15% FEE NO MI                                 | \$1072 |
| 100% RURAL DEVELOPMENT +<br>2% GUARANTEE FEE NO MI | \$1070 |

# **This product is the best GUARANTEED!**

Agency staff is available to assist you with seminars for your staff or customers.

[http://www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html)

# FLORIDA & VIRGIN ISLANDS OFFICE DIRECTORY

## Rural Development, USDA



| COUNTY       | OFFICE LOCATION | PHONE #         | PH EXT | COUNTY        | OFFICE LOCATION | PHONE #         | PH EXT |
|--------------|-----------------|-----------------|--------|---------------|-----------------|-----------------|--------|
| Alachua      | Ocala           | (352) 732-7534  | 5      | Liberty       | Marianna        | (850) 526-2610  | 4      |
| Baker        | Lake City       | (386) 719-5590  |        | Madison       | Lake City       | (386) 719-5590  |        |
| Bay          | Marianna        | (850) 526-2610  | 4      | Manatee       | N. Ft. Myers    | (239) 997-7331  | 4      |
| Bradford     | Lake City       | (386) 719-5590  |        | Marion        | Ocala           | (352) 732-7534  | 4      |
| Brevard      | Davenport       | (863) 420-4833  |        | Martin        | West Palm Beach | (863) 763-3345  | 5      |
| Broward      | NOT ELIGIBLE    |                 |        | Monroe        | NOT ELIGIBLE    |                 |        |
| Calhoun      | Marianna        | (850) 526-2610  | 4      | Nassau        | Lake City       | (386) 719-5590  |        |
| Charlotte    | N. Fort Myers   | (239) 997-7331  | 4      | Okaloosa      | Crestview       | (850) 682 -2416 | 4      |
| Citrus       | Ocala           | (352) 732-7534  | 4      | Okeechobee    | West Palm Beach | (561) 683-2285  | 5      |
| Clay         | Lake City       | (386) 719-5590  |        | Orange        | Davenport       | (863) 420-4833  |        |
| Collier      | N. Fort Myers   | (239) 997-7331  | 4      | Osceola       | Davenport       | (863) 420-4833  |        |
| Columbia     | Lake City       | (386) 719-5590  |        | Palm Beach    | West Palm Beach | (561) 683-2285  | 5      |
| Dade         | West Palm Beach | (561) 683-2285  | 5      | Pasco         | Davenport       | (863) 420-4833  |        |
| DeSoto       | N. Fort Myers   | (239) 997-7331  | 4      | Pinellas      | NOT ELIGIBLE    |                 |        |
| Dixie        | Ocala           | (352) 732-7534  | 4      | Polk          | Davenport       | (863) 420-4833  |        |
| Duval        | Lake City       | (386) 719-5590  |        | Putman        | Ocala           | (352) 732-7534  | 6      |
| Escambia     | Crestview       | (850) 682 -2416 | 4      | Santa Rosa    | Crestview       | (850) 682 -2416 | 4      |
| Flagler      | Ocala           | (352) 732-7534  | 6      | Sarasota      | N. Ft. Myers    | (239) 997-7331  | 4      |
| Franklin     | Marianna        | (850) 526-2610  | 4      | Seminole      | Ocala           | (352) 732-7534  | 6      |
| Gadsden      | Marianna        | (850) 526-2610  | 4      | St. Croix     | St. Croix, VI   | (340) 773-9146  | 4      |
| Gilchrist    | Ocala           | (352) 732-7534  | 4      | St. Thomas    | St. Croix, VI   | (340) 773-9146  | 4      |
| Glades       | West Palm Beach | (561) 683-2285  | 5      | St. Johns     | Lake City       | (386) 719-5590  |        |
| Gulf         | Marianna        | (850) 526-2610  | 4      | St. Johns(VI) | St. Croix, VI   | (340) 773-9146  | 4      |
| Hamilton     | Lake City       | (386) 362-2681  |        | St. Lucie     | West Palm Beach | (561) 683-2285  | 5      |
| Hardee       | N. Fort Myers   | (239) 997-7331  | 4      | Sumter        | Ocala           | (352) 732-7534  | 7      |
| Hendry       | West Palm Beach | (561) 683-2285  | 5      | Suwannee      | Lake City       | (386) 719-5590  |        |
| Hernando     | Davenport       | (352) 742-7005  |        | Taylor        | Lake City       | (386) 719-5590  |        |
| Highlands    | West Palm Beach | (561) 683-2285  | 5      | Union         | Lake City       | (386) 719-5590  |        |
| Hillsborough | Davenport       | (863) 420-4833  |        | Volusia       | Ocala           | (352) 732-7534  | 6      |
| Holmes       | Crestview       | (850) 682 -2416 | 4      | Wakulla       | Marianna        | (850) 526-2610  | 4      |
| Indian River | West Palm Beach | (863) 763-3345  | 5      | Walton        | Crestview       | (850) 682 -2416 | 4      |
| Jackson      | Marianna        | (850) 526-2610  | 4      | Washington    | Marianna        | (850) 526-2610  | 4      |
| Jefferson    | Marianna        | (850) 526-2610  | 4      |               |                 |                 |        |
| LaFayette    | Lake City       | (386) 719-5590  |        |               |                 |                 |        |
| Lake         | Ocala           | (352) 732-7534  | 7      |               |                 |                 |        |
| Lee          | N. Fort Myers   | (239) 997-7331  | 4      |               |                 |                 |        |
| Leon         | Marianna        | (850) 526-2610  | 4      |               |                 |                 |        |
| Levy         | Ocala           | (352) 732-7534  | 4      |               |                 |                 |        |

GO TO:

[www.rurdev.usda.gov/fl](http://www.rurdev.usda.gov/fl)

Home page of Rural Development Florida & Virgin Islands

[www.rurdev.usda.gov/fl/guarrrhs.htm](http://www.rurdev.usda.gov/fl/guarrrhs.htm)

Detailed information on the guaranteed residential loan program

<http://eligibility.sc.egov.usda.gov/>

Interactive mapping system and income calculator. Instantly discover if property is eligible.

[www.rurdev.usda.gov](http://www.rurdev.usda.gov)

National home page of Rural Development

[www.rurdev.usda.gov/regs](http://www.rurdev.usda.gov/regs)

National Regulations and directives.